

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7789

BILL NUMBER: HB 1817

DATE PREPARED: Feb 2, 2001

BILL AMENDED:

SUBJECT: Law Enforcement on Riverboats.

FISCAL ANALYST: David Hoppmann

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FUNDS AFFECTED: X

X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill prohibits the Indiana Gaming Commission (the Commission) from contracting with the State Police Department (State Police) for the performance of certain duties required during riverboat gambling operations. It requires the Commission to employ its own enforcement officers. It requires the Commission to place a priority upon hiring retired police officers. It vests gaming enforcement officers with certain police powers. It provides that gaming enforcement officers are members of the State Excise Police and Conservation Officers' retirement plan. This bill also makes other conforming changes.

Effective Date: July 1, 2001; January 1, 2002.

Explanation of State Expenditures: The State Police could experience an increase in administrative expenses regarding the potential reassignment of its approximately 90 to 95 troopers assigned to riverboat duty. As of January 2001, the State Police had 1,334 authorized enforcement positions of which 1,298 were filled, leaving 36 vacant enforcement positions available.

Ultimately, the source of funds and resources required to satisfy the requirements of this bill would depend upon legislative and administrative actions. Funding for the State Police originates from the state General Fund and the Motor Vehicle Highway Fund.

The Gaming Commission- Under current law, the Commission is allowed to contract with the State Police for the enforcement services required during gambling operations on riverboats. As specified in the latest interagency agreement between the Commission and the State Police, the State Police assigned 130 (121 sworn and 9 civilian) active personnel positions to the Gaming Division. The total cost for these personnel, which includes only salaries and fringe benefits, was \$5,905,661 of which all was reimbursed by the Commission.

No new interagency agreements have been executed since FY 1999. Authorized pay raises are incorporated by the current interagency agreement without the execution of new contract language.

The Commission would no longer be able to contract with the State Police to provide the enforcement personnel required during riverboat gambling operations. Consequently, the Commission would be required to employ its own enforcement officers, placing a priority on hiring retired police officers. The Commission would likely experience an increase in administrative expenses regarding the hiring of its own law enforcement officers. However, since the Commission already allocates monies to reimburse the State Police under the current interagency agreement, any increases would likely be minimal.

Background Information: The Gaming Enforcement Division currently falls under the purview of the Bureau of Criminal Investigation within the State Police. Of the estimated 550 personnel assigned to the Bureau of Criminal Investigation, 130 are assigned to the Gaming Enforcement Division. (The Gaming Enforcement Division primarily consists of noncivilian personnel who hold the rank of “Trooper”.) The Gaming Enforcement Division is comprised of two units: 1) the Background Investigative Unit (BIU); and 2) the Riverboat Investigative Unit (RIU).

Background Investigative Unit

The BIU is responsible for conducting background investigations of the owners, key management personnel and employees of the riverboat license holders and applicants, as well as riverboat supplier license holders and applicants. In addition, the BIU assists the RIU in long-term detailed gaming investigations. The BIU consists of approximately 10 to 15 personnel of which most are enforcement officers.

Riverboat Investigative Unit

The RIU is responsible for serving as the enforcement arm of the Commission on Indiana’s ten riverboats. RIU personnel investigate violations of State law and Commission rules. The State Police assigns approximately nine enforcement personnel to each riverboat, respectively, totaling approximately 90 to 95 enforcement personnel in all. The RIU is comprised of a North and South Division.

The State Police utilizes a one-year rotation system to fill vacancies within the RIU (the BIU is permanently staffed). It fills approximately 85% through a competitive hiring process and approximately 15% through a lottery system. The State Police report that when personnel are transferred to RIU from the Bureau of Field Operations (highway patrol), new recruits are used to fill those vacancies. (Currently, there are approximately 50 recruits in training.)

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Police; Gaming Commission.

Local Agencies Affected:

Information Sources: Steve Hillman, State Police, (317) 232-8204; 1998-1999 Interagency Agreement between the Indiana Gaming Commission and the Indiana State Police; State Budget Agency.